

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4163-01  
Bill No.: SB 724  
Subject: Administrative Law; Business and Commerce; Consumer Protection; Licenses -  
Motor Vehicle; Merchandising Practices; Motor Vehicles; Revenue Department  
Type: Original  
Date: January 29, 2010

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Bill Summary: This proposal modifies provisions of the Motor Vehicle Franchise Practices Act.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

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### **ASSUMPTION**

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** and the **Office of Attorney General** state this proposed legislation will have no fiscal impact on their respective agencies.

Officials from the **Office of State Courts Administrator** state this proposal will have no fiscal impact on the Courts.

Officials from the **Office of Administration - Administrative Hearing Commission** anticipate that this proposed legislation will not significantly alter its caseload. However, if other similar bills are passed or if there are more cases, or more complex cases, there could be a fiscal impact.

Officials from the **Department of Revenue (DOR)** assume the Motor Vehicle Bureau will need to do the following:

- A new procedure will need to be created by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11.
- The dealer licensing manual will need to be revised to include pertinent information related to this proposal by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11.
- DOR will need to develop an application for licensing of the franchisors, with all required information included. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$805 in FY 11.
- The DOR website will need to be updated which will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 11.
- Currently a Revenue Processing Tech I can process 6 dealer applications per hour. It is unknown how many of these franchisor licenses will be applied for per year, therefore DOR may need to request through the appropriations process additional FTE or overtime to process the applications for a franchisor license.

ASSUMPTION (continued)

**Oversight** assumes DOR could absorb the minimal costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

**OA-ITSD (DOR)** is currently designing a new dealer system; however; until the new dealer system is complete DOR has no system available to track and issue licenses to franchisors. DOR assumes that until such time as the new system is active, DOR would track and issue licenses manually in a spreadsheet designed by DOR.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

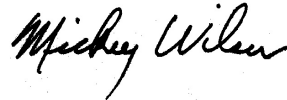
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General  
Office of Administration  
    Administrative Hearing Commission  
Office of State Courts Administrator  
Department of Revenue  
Department of Insurance, Financial Institutions and Professional Registration

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
January 29, 2010